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## BRITAIN'S PART IN LEND-LEASE AND MUTUAL AID

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Agreement on Mutual Aid, February 23, 1942 and Exchange of Notes on Reciprocal Aid, September 3, 1942.

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## LEND-LEASE IS NOT A ONE-WAY STREET

Britain provides the U. S. Armed Forces stationed in Britain with 20 per cent, by weight, of their food.

Almost 90 per cent of the medical supplies of the U. S. Army in Britain are supplied by the British.

Britain is spending over six hundred million dollars on constructing airfields, camps, hospitals and other buildings for the U. S. Armed Forces.

Britain has supplied over 80 per cent of the current stocks of U. S. Army Post Exchanges in Britain.

Britain is currently devoting 10 per cent of her entire war expenditure to Mutual Aid. In relation to her national income, she is giving to the United States not much less than the United States, in relation to *its* national income, is giving to Britain in the form of Lend-Lease.

Between June 1, 1942, and April 1, 1943, Britain provided the U. S. Armed Forces in Britain with a quantity of supplies which would have taken more than 1,360,000 ship tons if brought from the United States. In addition, over 2,000,000 tons of construction materials were provided.

**THE LATEST FIGURES OF BRITISH AID** to the United States show a total expenditure of more than one and a half billion dollars by the end of 1943. This total is based on actual figures of expenditure up to September 30, 1943, together with estimates for the last quarter of that year. It includes goods and services transferred overseas (estimated at between 160 and 200 million dollars) but does not include raw materials.

The detailed figures (converted at the rate of \$4.03 to the pound) are as follows:

Goods and services transferred in Britain.....	\$ 535,990,000
Shipping services.....	282,100,000
Airports, barracks, hospitals and other construction.....	548,080,000
Goods and services transferred outside Britain, more than.....	160,000,000
Total.....	\$1,526,170,000

# BRITAIN'S PART IN LEND-LEASE AND MUTUAL AID

## A. INTRODUCTION

Mutual Aid is a vast system for the pooling of the resources of all the United Nations, whereby each nation contributes on Lend-Lease terms to the common pool.

Starting in 1941, Lend-Lease gave help to Britain from the vast industrial resources of the United States, at a time when Britain was standing almost alone against the Axis. While the United States was still at peace, the flow was overwhelmingly in one direction. But after Pearl Harbor, the nature of Lend-Lease slowly changed. Other nations, including Britain, instituted their own forms of Lend-Lease, and began supplying goods and services to one another. In this way, Lend-Lease developed into Mutual Aid—the pooling of the resources of all the United Nations.

The British people, well aware of the part played by American Lend-Lease in the hard days of 1941, have long been anxious to know what Lend-Lease aid Britain in her turn is giving to the United States and other members of the United Nations. On November 11, 1943, the British Government, thinking it “proper to satisfy the public interest in the subject,” published a “Report on Mutual Aid”, giving some facts and figures on Britain’s aid to her Allies up to the end of June, 1943. Since the publication of this Report, British Information Services have received many requests for information on Britain’s contribution to the common pool. This pamphlet attempts to present in a convenient form some of the facts and figures available.

## B. THE DEVELOPMENT OF BRITISH AID TO THE UNITED STATES

### Before Pearl Harbor

Long before Pearl Harbor, Britain was sending freely to the United States many special items of supply of which American war industries stood in need. Britain even shipped to the United States three complete gun-barrel factories.

But the most important form of aid given to the United States in the pre-Pearl Harbor days was the steady flow of information gathered from research and practice and from actual battle experience. Much of this information consisted of closely guarded secrets. Much of it, such as Britain’s advanced development of radiolocation (“radar”), was of the greatest military importance. The recently-disclosed invention of the jet-propelled fighter plane is another important example. The jet plane was invented by an RAF officer, and the first successful flight was made in Britain in May, 1941. In July, 1941, some months before Pearl Harbor, the secret plans were turned over to the USAAF. Later a sample engine was sent to the United States, and since then these planes have been manufactured in both the United States and Britain.

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<sup>1</sup> Copies available free on request from British Information Services.



In addition, the cash contracts totalling nearly three billion dollars placed by Britain before Lend-Lease stimulated American defense industries and helped to make possible the enormous production achievements of 1942-3. This is not Mutual Aid, but it is an example of the way Britain's fight against the Nazis and her full mobilization of all her resources for this purpose helped the United States strengthen her own defenses.

### **After Pearl Harbor**

Immediately after the United States entered the war, British aid began to increase rapidly in volume. One item was the aid given by Britain to the defense of American cities, plants and military installations. Over 3,000 British barrage balloons, of the same type as those used to defend British cities during the Blitz, were shipped to defend American cities and war plants. British anti-aircraft guns were sent to defend the Panama Canal and to guard American cities against possible raids. In the defense of the Atlantic Coast and the Caribbean, six British destroyers, 12 corvettes and 24 anti-submarine trawlers of the latest type—all British manned—operated under U. S. Navy control, and in addition a number of corvettes were loaned to the U. S. Navy for its own use. In the Caribbean a squadron of the RAF Coastal Command operated a ceaseless patrol against submarines.

### **Mutual Aid Gets Going**

The pooling of resources on Lend-Lease terms saves shipping and minimizes the need of each nation for the currency of other nations. At the time the Lend-Lease Act was passed, shortage of dollars was seriously threatening to cut off Britain's supply of munitions from the United States. Shipping has been a bottleneck throughout the war. One obvious way of saving shipping is always to use the most accessible source of supplies.

British aid to the United States began to flow on a really large scale when American troops landed in Britain and in British territory in 1942. Following the general strategy of Mutual Aid, these soldiers were largely supplied from local British sources.<sup>1</sup> For Britons it was an opportunity to show their practical recognition of American help.

### **Aid from the British Commonwealth<sup>2</sup>**

The cost of aid given to the United States in the British Colonies is met by Britain, as well as that given in Britain itself. But Britain is, of course, not responsible for aid given to the United States by the British Dominions or India. Australia, New Zealand, South Africa and India have given aid to the United States out of their own resources, while Canada, which receives no Lend-Lease aid from the United States, provided Britain with aid amounting to one billion dollars in 1942, and in 1943 gave aid to the United Nations amounting to a further billion dollars.

<sup>1</sup> See the exchange of notes of September 3, 1942, reprinted in the Appendix.

<sup>2</sup> Further details on aid given to the United States by Australia, New Zealand and India will be found in President Roosevelt's *Twelfth Report to Congress on Lend-Lease Operations*, November 11, 1943.

## C. EXAMPLES OF BRITISH AID TO THE UNITED STATES

### Housing and Bases

Months before the arrival of the U. S. Forces in Britain, the British began preparations to build, commandeer and convert barracks, camps, houses, hotels, offices, hospitals, airfields, hangars and workshops throughout Britain. This construction program is costing Britain over \$600 millions, and, at its peak, two-thirds of the civil and military labor available for military works and services in the United Kingdom were working for the American Forces. The construction materials amounted to approximately 2,180,000 tons. About 20 million square feet of storage space have been handed over for the use of the U. S. Army.

One important part of this construction program has been the building of a vast network of airfields, camps and depots to accommodate the great air fleets which are now smashing at German war centers. The total cost of these airfields, camps and depots (including those built for the RAF and for the air forces of other members of the United Nations as well as those built for the USAAF) will amount to about \$2,500 millions, of which about \$472 millions is being spent on airfields, camps and depots for the USAAF. The total cost to the United States will be about \$40 millions—all the remainder being provided by Britain.

### Transport

British aid not only meets the requirements of the U. S. Forces after they have arrived, but also helps get them to their destinations. British ships—including such giants as the *Queen Mary* and the *Queen Elizabeth*—have helped take them over. Troopships are conveyed a large part of the way by the British Navy. American troops proceeding from Britain to overseas theaters of war are often carried in British ships. United States warships and merchant ships in British ports all over the world are provided with free fuel, services, supplies and repairs.

The cost of transporting members of the U. S. Forces in Britain and the British Colonies is met by Britain. More than 1,200 complete aircraft of the USAAF have been moved from the ports to assembly points all over Britain. Hundreds of thousands of tons of stores have been shipped to camps and depots. Nor was this aid confined to existing facilities. To ensure that occupation of the depots handed over to the Americans was not delayed by lack of adequate railroad facilities, half the strength of the transportation and construction troops of the Royal Engineers was continuously employed on railroad construction for a considerable period of time, together with a large number of civilians.

When the U. S. Forces began to arrive, 3,000 vehicles were immediately provided for their use until the full complement of their own motor transport should arrive.

### Bicycles for Airmen

Members of the USAAF found that dispersal of hangars and barracks, for safety against bombings, meant that the aircrews had considerable distances to walk. So they asked for bicycles. Bicycles are

in great demand in Britain, where the civilian is forbidden to motor except on highly important business, but by the end of June, 1943, over 21,000 bicycles had been delivered, and contracts have been placed for a further 23,000.

## **Food**

British aid provides the American Forces in Britain with 20%, by weight, of their food supply, including all their potatoes, bread, flour and fresh vegetables. Cereals, chocolate, candies, cookies, jams, pickles and spaghetti are other foods provided. It is estimated that in 1943 Britain provided American troops with about 284,000,000 pounds of food, including:

59,900,000	pounds of potatoes
48,900,000	pounds of fresh vegetables
62,500,000	pounds of flour
35,800,000	pounds of sugar
2,800,000	pounds of fruit
1,900,000	pounds of jam
4,900,000	pounds of dry cereals
20,900,000	pounds of cocoa and coffee

The premises of a Cooperative Society were requisitioned and handed over to the U. S. Forces for use as a bakery, with new equipment installed to produce 50,000 pounds of bread a day, and modern mobile bakeries were provided for troops in the field.

Britain also renders important services in connection with perishable foods, such as meats, butter and bacon, which the American Forces import from the United States. These items are given the cold storage or other special treatment they require. Britain undertakes all transport, handling, storage and delivery, from the time these foods are landed at the ports until they are delivered to the various U. S. Army depots.

## **British Workers Employed by the U. S. Forces**

There are about 10,000 British civilians employed by the U. S. Forces in Britain, whose wages, amounting to about \$12,000,000 a year, are paid by Britain.

## **Military Equipment**

Most of the arms used by the U. S. Forces are American-made, but any British-produced arms for which they ask are supplied free, and Britain has also supplied large quantities of miscellaneous war supplies. The list of military equipment transferred includes several hundred Spitfire planes, 32,000 bombs ranging from incendiaries to "block-busters," 7,000 sets of armor plate for heavy bombers, 1,000,000 anti-tank mines, 70,000 six-inch shells, many millions of rounds of small arms ammunition, electric batteries at the rate of 500,000 a month, 500,000 hand grenades, 43,000 gasoline tanks, about 5,000 collapsible rubber dinghies and about 1,300 parachutes. A very large quantity of anti-submarine boom defense gear—booms, nets and equipment, the result of many years of practical trial and research—has been supplied by Britain, together with the vessels necessary for their operation. Britain has supplied all the maps used by the United States



Army and Army Air Force in or based on Britain, and supplies of maps to the U. S. Forces in the Mediterranean area have also been mainly from British sources. Britain also supplies all USAAF oxygen, and the cylinders in which it is stored, which number nearly 2,000. When certain United States fighter gunsights proved less effective than the sights employed by the British fighters, the RAF provided a substantial number of British-type sights for immediate installation. Britain has supplied specially heated winter flying clothing to protect American bomber crews from the intense cold suffered at high altitudes and has provided facilities for the development and production of a new type of protective body armor, designed by American medical authorities. She has agreed to supply 3,500,000 anti-tank mines, and hundreds of miles of cable and hundreds of tons of barbed wire have already been supplied.

### **"Ameri-cans"**

Britain has built a plant which will produce millions of returnable five-gallon gasoline containers annually for the U. S. Forces in the European Theater of Operations. This plant makes "ameri-cans" of a slightly different design from the containers made for the British Forces (known as "jerricans"). The ameri-cans are designed so that they may easily be carried by hand or small vehicle, and are made to withstand extreme climatic conditions. They can be thrown from a moving lorry or dropped from a height of over 20 feet on to concrete without suffering damage. The production of ameri-cans augments the allotment of almost 50% of the total British gasoline can production which is already going to the U. S. Forces.

### **Medical Supplies and Services**

Almost 90% of the medical supplies of the United States Army in Britain are provided as British aid. The supplies include surgical appliances, medicinal gases, culture media and calf lymph. In addition, hospitals, some specially built and others turned over as they stood, have been provided, together with ambulance trains. Accommodation in British military and civilian hospitals has been made available as and when required. A center for the rehabilitation of wounded American soldiers—the only one of its kind for the entire American Army in Britain—has been built and equipped. Basing its work on methods developed by the British Army and the RAF since the beginning of the war, the center uses special equipment—all supplied by Britain—for remedial exercises, physiotherapy and massage. British instructors have been assigned to the center, and American instructors are now being trained at British Army Physical Training Schools.

Information on hygiene training, trials and experiments has been placed at the disposal of the United States Army, and hygiene courses and demonstrations for American soldiers have been arranged at the British Army's School of Hygiene.

### **Clothing**

Britain is supplying to the U. S. Forces large quantities of more than 5,000 different items of clothing and general stores. The clothing supplied includes nearly all items of officers' uniforms, certain

items of enlisted men's uniforms, officers' footwear, and socks, gloves and woolen underwear for both officers and enlisted men.

Laundry and boot repair services are being provided, and a British Mobile Shoe Repair Unit has been lent to the U. S. Quartermaster Corps to do repairs and instruct American troops. Three depots for the repair of clothing have been handed over.

### **Supplies for Post Exchanges**

Britain has supplied over 80% of the current stocks of American Army Post Exchanges in Britain. The products involved include shaving cream, razor blades, toothpaste, brushes, hair tonic, handkerchiefs, lighter fluid, matches, mirrors, tobacco pouches, pipe cleaners, nail files, playing cards, flashlights and many other things. Britain had 100,000 pinochle cards specially printed to comply with a request from the U. S. Army. Pinochle is not a British game.

### **Entertainments**

British bands and theatrical parties are regularly routed to American camps in Britain.

Entertainment amenities supplied range from packets of phonograph needles to 28-piece brass bands, and include theatrical equipment, musical instruments, many thousands of phonograph records, phonograph turntables and amplifier equipment, and sheet music. Members of the U. S. Forces have been given more than 30,500 free tickets for London theaters.

### **Hostels and Leave Centers**

Britain has provided 46 American Red Cross Hostels and Leave Centers in London, some being requisitioned hotels, and others consisting of groups of several houses, and well over 100 in other parts of Britain. These hostels and centers are handed over fully furnished, including bedding, with showers, radios and refrigerators, and are maintained at British expense.

### **Clubmobiles and Doughnuts**

Britain has converted numbers of large buses into "clubmobiles," specially fitted as traveling canteens for the use of American units in remote districts. They are fitted with special apparatus for making doughnuts—which are now unobtainable by the British public.

### **The Largest Telephone Hookup in Britain**

All services of the British Post Office required by the U. S. Forces are supplied free. These include telephone and teletype services and telegrams and cables to all parts of the world. British aid has provided the largest telephone hookup in Britain for the United States Army's European Theater of Operations headquarters, connecting with every Army, Navy and Air Force base, both British and American, in the country. The switchboard has 52 panels, and the enormous traffic on its lines is handled by 100 British girls. It is housed in a bomb-proof basement, and is larger than the switchboards of the British War Office and Admiralty. Thousands of miles and hundreds of thousands of dollars' worth of cables were used in its construction.

## V-Mail

V-mail was devised by the British Post Office at the time when Italy's entry into the war closed the Mediterranean, and British shipping had to travel round the Cape of Good Hope to the Middle East. This was also the time when British cities were being blitzed, and soldiers at the end of the 12,000-mile sea journey were anxiously wondering what had been happening to their families.

When the U. S. Forces landed in the British Isles, the British Post Office arranged to handle incoming V-mail for the American troops. The film from the United States is handed by the U. S. Army to a British firm for printing, and the finished prints are collected by the British Post Office. At the Post Office British women operate machines that fold the letters at the rate of 30,000 an hour. The folded letters are inserted into the envelopes by hand. Other machines stick down the envelope flap and print the postmarks at the rate of 10,000 letters an hour. When it has gone through this process, the mail is packed in U. S. Army mail bags and taken over by the U. S. Army Post Office for sorting and dispatch.

Since American troops have been in Britain, more than 21 million V-mail letters from the United States to American soldiers have been handled. All the cost is paid by Britain.

## Training and Education

USAAF personnel are attending various courses organized by the RAF side by side with RAF personnel. By the end of June, 1943, over 3,000 American airmen had completed RAF courses ranging in duration from four days to ten weeks, and covering a very wide variety of subjects. Members of the U. S. Navy receive training in anti-submarine warfare at British bases, and officers and enlisted men and Merchant Marine gunners attend instructional courses in gunnery and other subjects organized by the British Navy. American soldiers attend courses of instruction at nearly all the British schools of instruction, including the Staff College. Copies of all training movies made by the British Army are made available to the U. S. Forces.

Educational facilities provided by the British go beyond training for immediate war purposes. The services of the Central Advisory Council for Adult Education in the British Forces have been placed at the disposal of the U. S. Forces. This organization provides civilian lecturers and teachers, paid from British Army funds. Correspondence courses organized for British soldiers are available to members of the American Forces. The British Army has also organized a few joint Anglo-American courses, designed to give officers and men of each nation a chance of learning something of the other's history, geography and way of life.

The short University leave courses, originally started at Oxford for Canadian officers and men, have since been extended to American officers and men. One-week courses are being given the year round at Balliol College. Membership of the class usually consists of 30 Americans and 30 Canadians (half officers, half enlisted men) and 15 British. Oxford's most distinguished professors give the lectures. The men live in the college during the week, and, in addition to classes, expeditions to nearby towns (such as Stratford-on-Avon), tours of Oxford and theater parties are included, and invitations to private



homes are arranged. The whole cost of the week's course to the students is about \$14 for officers and \$6 for enlisted men. Cambridge, London, St. Andrews, Birmingham, Bristol, Glasgow, Edinburgh and Reading Universities run similar courses.

### **Raw Materials**

Until recently, raw materials and foodstuffs in bulk (as distinct from rations for the U. S. Forces) were not included in British aid, since the dollar receipts for these items were needed to meet the heavy cost of Britain's pre-Lend-Lease contracts, totalling (with other British war-time purchases up to April, 1943), some six billion dollars. Now that these contracts have been largely fulfilled, the United States Government will receive raw materials and foods, and shipping services for their transport, under Mutual Aid, the entire cost being met by the British Government. In this way, Britain will make available to the United States, without payment, such materials and foods as rubber from Ceylon, Trinidad, British Guiana and British Honduras, sisal and pyrethrum from British East Africa, asbestos and chrome from Southern Rhodesia, cocoa from British West Africa, tea and coconut oil from Ceylon, and benzol and tar acids from the United Kingdom.

### **British Inventions**

Long before Pearl Harbor, Britain was freely giving to the United States the results of research and experiment by her scientists. Radiolocation ("radar") and the jet-propelled fighter plane are familiar examples. On January 1, 1942, Britain and the United States entered into a Patent Interchange Agreement under which there has been a free flow of patent rights, and American war plants have received, absolutely free, patented and unpatented ideas of real value to the prosecution of the war. Similarly, British war plants have received free licenses to utilize American-owned patents. In a joint press release dated January 4, 1944, the United States Army and Navy said that they had surveyed the results of this Agreement and had found them "of great value in the war effort." Among the things being manufactured on both sides of the Atlantic under the Agreement are: a kite, launched with a rocket-pistol, for use in carrying an aerial aloft to aid in sending out emergency distress signals; air compressors, range finders, illuminated gun sights, turrets, fuses, incendiary bombs, airborne lifeboats, lathes, bomb releases, catalysts (the agents which speed up chemical changes), torpedoes, condenser tubes, warship propellers, periscopes, bearings and lacquers. Many products are on the secret or confidential list and may not be publicized.

## **D. MUTUAL AID IN NORTH AFRICA**

In no field of war was Mutual Aid more strikingly illustrated than in the North African landing by the United Nations Forces in November, 1942. In his report on Lend-Lease operations from March 11, 1941, to December 31, 1942, Edward R. Stettinius, Jr., Lend-Lease Administrator, gave the facts as follows:

"This action has been from the beginning a combined operation in which Lend-Lease and Reciprocal Aid have played their part. Great Britain provided two-thirds of the warships



and transports employed in the original landing operations. 60% of the ground forces were American and the Air Forces were equally divided. Of the landing craft employed most were American-built. Some had been Lend-Leased to Britain and were manned by British crews. U. S. Fighter Squadrons, on the other hand flew 160 Spitfires provided by Great Britain under Reciprocal Aid. Most of the equipment used by U. S. Forces came from American factories, but supplies Lend-Leased by Britain to our Armed Forces included such items as 100 miles of portable airfield runways, more than 500,000 anti-tank mines and grenades, 130 reconnaissance boats, 4 complete 1,000-bed field hospitals, and medical supplies for 100,000 men. One United States division was completely equipped with British 25-pounder (guns)."

Major Spiegelberg, Recorder of the General Purchasing Board in the European theater, in his testimony before the House Foreign Affairs Committee on February 2, 1943, added that the U. S. Forces in North Africa received also as British aid more than 3,800 tons of ammunition, 80,000 tons of coal, more than 2,000 tons of British rations and 30,000 tons of engineering equipment.

During the North African operations, a considerable amount of repair work to United States warships was carried out at Gibraltar. British aid has also sent large supplies to North Africa to meet civilian requirements. By August 1943, Britain had sent more than 300,000 tons of supplies, including over 277,000 tons of coal.

## **E. BRITISH AID TO THE SOVIET UNION**

Britain has furnished war material to the Soviet Union free of charge since that nation became engaged in the war with Germany. By the end of May, 1943, 4,690 complete aircraft had been dispatched from Britain, with appropriate supplies of spares, including engines, airframes and other articles of equipment. By the end of June, 1943, the cost of this aid had totalled over 700 million dollars. By the end of 1942, Britain had sent to the Soviet Union more planes than she herself had received under Lend-Lease from the United States. She had also sent 3,000 tanks and 70,000,000 rounds of ammunition. The pooling of resources is also well illustrated by the shipping of these goods to the Soviet Union. Whether planes, tanks or food supplies originate in Britain or in the United States, they are carried to the Soviet Union in joint convoys which face the desperate hazards of Arctic seas, enemy submarines, aircraft and surface craft. A great proportion of the merchant ships and of the escorting vessels have been British. In addition, Britain, at heavy cost, opened up the other main supply route to the Soviet Union, through Iran, since further developed by the United States under Lend-Lease.

## **F. BRITISH AID TO CHINA**

Arms, munitions and military equipment are being supplied free by the British to the Chinese Forces in China so far as the facilities for transport from India will allow. Chinese troops in India are

largely equipped by the United States, but Britain supplies them with everything supplied to British troops, such as rations, local currency for pay and allowances, quarters, transport, hospital services, medical and ordnance supplies and equipment. Anglo-Iranian oil has been provided free in India and sent into China to the Chinese Air Force. Britain provides training in India for Chinese pilots. Other projects which have been financed by British Lend-Lease include the construction by Chinese labor of strategic roads in Northern India.

## G. BRITAIN'S AID TO OTHER MEMBERS OF THE UNITED NATIONS

The arrangements whereby Britain gives aid to other members of the United Nations vary according to the needs and resources of the nation concerned. Holland, Belgium, Norway and Yugoslavia pay for all they receive. Certain other nations are given assistance in the form of credits, but the bulk of military supplies are made available free; in this way supplies are given to Greece, Czechoslovakia and the French Committee of National Liberation, and similar arrangements have been offered to Poland and Yugoslavia. Military supplies are also given to Turkey free of cost.

## H. SOME FIGURES ON BRITISH AID

### The Figures from the British Report

The British "Report on Mutual Aid" gave some partial figures on Britain's Lend-Lease aid to her Allies up to the end of June, 1943. The figures, given in pounds, are converted below at the rate of \$4 to the pound:

#### *To the United States*

##### *Capital Installations in Britain—*

	\$ millions
Barracks, hospitals, etc.....	124
Airports .....	220
Aircraft repair depots, etc.....	20
Others .....	4
	368

The total program for capital installations will cost more than six hundred million dollars when completed.

##### *Goods and Services Transferred in Britain—*

	\$ millions
Military stores, including equipment and clothing .....	84
Food and other Army supplies....	40
Aircraft and aeronautical equipment	80
Industrial and naval supplies.....	52
Miscellaneous services .....	72
	328

## Shipping Services—

	\$ millions
Freight services .....	144
Disbursements, including Bunkers.	24

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168

### *To the Soviet Union*

Vehicles and tanks.....	372
Guns, ammunition, etc.....	64
Aircraft and aeronautical equipment	260
Industrial and naval supplies.....	20

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716

### *To Other Allies*

Britain's credits to her Allies, other than the United States and the Soviet Union, up to the end of 1942, together with Lend-Lease assistance by that date, amounted to about 744 million dollars.

Britain is currently devoting 10% of her total war expenditure to Mutual Aid. She is giving to the United States (in relation to her national income) not much less than the United States (in relation to *its* national income) is giving to Britain in the form of Lend-Lease.

## The Figures Don't Tell the Whole Story

These figures, however, do not tell the whole story for three main reasons:

First, they do not include the raw materials and foodstuffs transferred to the United States.<sup>1</sup>

Second, the cash figures given represent the cost to Britain converted at the present rate of exchange. The cost in dollars to Britain, however, is considerably less than the dollar value which would have to be put upon these items in United States Lend-Lease accounts. Wage levels and the cost of war goods in the two countries are very different. Unless this is taken into account, the British contribution is underestimated, perhaps by as much as one-half or more.

Third, the figures given above do not, by any means, cover all British aid, even apart from raw materials and foodstuffs. When new buildings are erected, or a specific quantity of supplies procured and handed over, Britain can calculate the cost, though even in such cases the extreme shortage of manpower makes accounting difficult. But often the British depot issuing supplies to the United States Forces may be thousands of miles from headquarters, so that any records would take months to arrive in Britain for accounting. Detailed accounting over the whole field of British aid to United States would require several thousand clerks and accountants—which, at this stage of the war, would be a gross waste of manpower. In this way, British aid to the United States differs from American Lend-Lease aid to Britain, which all goes through a central source with a regular system of requisitioning, so that detailed accounts can be kept. This difficulty is particularly acute in the case of transfers made in the field of battle. Months will pass before any estimate can be made of major items—such as tanks—transferred in Tunisia, Sicily, Italy and other theaters

<sup>1</sup>See p. 10.



of war. None of the goods and services transferred in overseas theaters of war are included in the above figures.

## **Mutual Aid and Britain's Financial Effort**

Britain's part in Mutual Aid is only one aspect of her total financial effort. By April, 1943, she had spent in the United States alone more than six billion dollars on supplies, munitions and the provision of capital equipment for the prosecution of the war, and in order to pay for these supplies, so vitally needed for her fight against the Axis, she seriously depleted her gold holdings and her American investments. At the same time, her debts to other nations have been mounting very rapidly. In all, her payments to members of the United Nations in excess of the sums received from them total more than nine billion dollars. This heavy financial burden is part of the price that Britain is paying to ensure the defeat of the Axis. It is for her an additional contribution to the pooling of resources.

### **I. THE COMMON STRUGGLE**

The amount of Mutual Aid which a nation gives is, of course, by no means, a complete measure of its war effort. Some of the United Nations—such as Russia and China—are so close to the enemy, or have such small resources compared to their needs, that the whole of their war effort is applied directly. Others, further off, or with more resources, can best help the common cause by putting part of their production into the common pool.

It is the over-all strategy which determines how much should be transferred among the United Nations, just as the strategic plan demands unified leadership and a common effort in the battlefield. If the plan calls for bombers to be Lend-Leased by Britain to the Soviet Union, this contribution by Britain to the common cause is not more important than Britain's own bombing of Germany's war centers.

Taking a wider view, the most crucial contribution by each of the United Nations to the common cause has been of a kind to which no cash value can ever be attached. Russia's victory at Stalingrad, the endurance of the British people in the hard year of 1940-41, the costly American victory at Tarawa, the long magnificent fight of the Chinese—these are contributions to the common pool which can never be valued in terms of dollars or pounds. As Mr. Stettinius said in his Report to Congress on Lend-Lease Operations from the Passage of the Act, March 11, 1941, to December 31, 1942:

“There is no standard of values by which the loss of a thousand Russian lives, for instance, can be compared with a thousand fighter planes. Those who have died fighting in Britain, in China and in Russia, in Africa and in Asia, died in defense of their own countries. But these people have fought and they fight now against enemies that are ours as well as theirs. Their sacrifices are saving American lives. China's five-year struggle against Japan, the terrible toll taken of the Nazis by the Red Army, the defense of Britain and the destruction of German production centers by England's RAF, and the protection of vital sea lanes by the British Navy—all have combined to save the United States from invasion, to preserve to us the means of victory and to speed its coming.”



## APPENDIX

### I. AGREEMENT ON MUTUAL AID, FEBRUARY 23, 1942<sup>1</sup>

WHEREAS the Governments of the United Kingdom of Great Britain and Northern Ireland and the United States of America declare that they are engaged in a co-operative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;

And whereas the President of the United States of America has determined, pursuant to the Act of Congress of the 11th March, 1941, that the defence of the United Kingdom against aggression is vital to the defence of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the United Kingdom aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the United Kingdom receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defence aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United Kingdom and the United States of America, and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United Kingdom and the United States of America are mutually desirous of concluding now a preliminary agreement in regard to the provision of defence aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions, and the making of such an agreement has been in all respects duly authorised, and all acts, conditions and formalities which it may have been necessary to perform, fulfil or execute prior to the making of such an agreement in conformity with the laws either of the United Kingdom or of the United States of America have been performed, fulfilled or executed as required;

The undersigned, being duly authorised by their respective Governments for that purpose, have agreed as follows:—

#### ARTICLE 1.

The Government of the United States of America will continue to supply the Government of the United Kingdom with such defence articles, defence services, and defence information as the President shall authorise to be transferred or provided.

#### ARTICLE 2.

The Government of the United Kingdom will continue to contribute to the defence of the United States of America and the strengthening thereof, and will provide such articles, services, facilities or information as it may be in a position to supply.

#### ARTICLE 3.

The Government of the United Kingdom will not, without the consent of the President of the United States of America, transfer title to, or possession of, any defence article or defence information transferred to it under the Act, or permit the use thereof by anyone not an officer, employee or agent of the Government of the United Kingdom.

#### ARTICLE 4.

If, as a result of the transfer to the Government of the United Kingdom of any defence article or defence information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and

<sup>1</sup> Cmd. 6391. Copies may be obtained from British Information Services, price 5s.

to any such defence article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States of America.

#### ARTICLE 5.

The Government of the United Kingdom will return to the United States of America at the end of the present emergency, as determined by the President, such defence articles transferred under this Agreement as shall not have been destroyed, lost or consumed, and as shall be determined by the President to be useful in the defence of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

#### ARTICLE 6.

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom, full cognisance shall be taken of all property, services, information, facilities or other benefits or considerations provided by the Government of the United Kingdom subsequent to the 11th March, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

#### ARTICLE 7.

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of the 11th March, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on the 14th August, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

#### ARTICLE 8.

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this 23rd day of February,

For the Government of the United Kingdom of  
Great Britain and Northern Ireland:

(L.S.) HALIFAX.

*His Majesty's Ambassador Extraordinary and  
Plenipotentiary at Washington.*

For the Government of the United States of America:

(L.S.) SUMNER WELLES.

*Acting Secretary of State of the United  
States of America.*

## II. EXCHANGE OF NOTES ON RECIPROCAL AID, SEPTEMBER 3, 1942<sup>1</sup>

*Viscount Halifax to Mr. Cordell Hull.*

*British Embassy,  
Washington, September 3, 1942.*

In the United Nations Declaration of the 1st January, 1942, the Contracting Governments pledged themselves to employ their full resources, military or economic, against those nations with which they are at war, and in the Agreement of the 23rd February, 1942, each Contracting Government undertook to provide the other with such articles, services, facilities or information, useful in the prosecution of their common war undertaking, as each may be in a position to supply. It is further the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be followed in providing mutual aid as set forth in the said Agreement of the 23rd February, 1942, is that the war production and the war resources of both Nations should be used by the armed forces of each, and of the other United Nations, in ways which most effectively utilise the available materials, manpower, production facilities and shipping space.

With a view, therefore, to supplementing Article 2 and Article 6 of the Agreement of the 23rd February, 1942, between our two Governments for the provision of reciprocal aid, I have the honour to set forth below the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland of the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorise to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum. It is accordingly the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the United States Government will provide, in accordance with the provisions of, and to the extent authorised under, the Act of the 11th March, 1941, the share of its war production made available to the United Kingdom. The Government of the United Kingdom will provide, on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorises in accordance with the Agreement of the 23rd February, 1942.

3. The Government of the United Kingdom will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be procured in the United Kingdom or in the British Colonial Empire:—

- (a) Military equipment, munitions and military and naval stores.
- (b) Other supplies, materials, facilities and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of the United Kingdom as specified in paragraph 4.
- (c) Supplies, materials and services needed in the construction of military projects, tasks and similar capital works required for the common war effort in the United Kingdom or in the British Colonial Empire, except for the wages and salaries of United States citizens.

<sup>1</sup> Cmd. 6389. Copies may be obtained from British Information Services, price 5s.



- (d) Supplies, materials and services needed in the construction of such military projects, tasks and capital works in territory other than the United Kingdom or the British Colonial Empire or territory of the United States to the extent that the United Kingdom or the British Colonial Empire is a more practicable source of supply than the United States or another of the United Nations.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorised authorities of the United States to official agencies of the United Kingdom which will be designated or established in London and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

5. It is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that all such aid, as well as other aid, including information, received under Article 6 of the Agreement of the 23rd February, 1942, accepted by the President of the United States or his authorised representatives, from the Government of the United Kingdom will be received as a benefit to the United States under the Act of the 11th March, 1941. In so far as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have, &c.

HALIFAX.

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*Mr. Cordell Hull to Viscount Halifax.*

*Washington, September 3, 1942.*

I HAVE the honour to acknowledge the receipt of your note of to-day's date concerning the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States of America.

In reply I wish to inform you that the Government of the United States agrees with the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland as expressed in that note. In accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, &c.

CORDELL HULL.



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